

## Message Text

CONFIDENTIAL POSS DUPE

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44

ACTION ARA-20

INFO OCT-01 EUR-25 EA-11 ISO-00 EB-11 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 SAM-01

NSC-10 SS-20 STR-08 CEA-02 L-03 H-03 PA-04 PRS-01

USIA-15 IGA-02 DRC-01 /203 W  
----- 087168

R 191217Z FEB 74

FM AMEMBASSY BONN  
TO SECSTATE WASHDC 0509  
INFO AMEMBASSY BERN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY THE HAGUE  
AMEMBASSY TOKYO  
AMEMBASSY OSLO  
AMEMBASSY SANTIAGO  
AMEMBASSY STOCKHOLM  
AMEMBASSY ROME  
USMISSION OECD PARIS

C O N F I D E N T I A L BONN 02651

E.O. 11652: GDS

TAGS: EFIN, CI, GW

SUBJECT: PARIS CLUB MEETING ON CHILE DEBT  
RESCHEDULING

REF: A. STATE 31838; B. BONN 2540 (NOTAL)

1. EMBOFF RAISED THE POINTS IN REF A WITH THE  
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FRG'S DEBT RESCHEDULING EXPERT GEHRING. GEHRING  
RESPONDED THAT THE US VIEWS CONFIRMED HIS BELIEF

THAT AGREEMENT AMONG CREDITORS WOULD BE VERY DIFFICULT TO OBTAIN. AS IN OUR EARLIER CONVERSATION (REF B), HE SINGLED OUT THE FRENCH AS THE ONES LIKELY TO TAKE THE TOUGHEST LINE IN PARIS ESPECIALLY ON THE QUESTION OF DOWN PAYMENT WHERE THEY WILL PROBABLY INSIST ON 20 PERCENT.

2. IN RESPONSE TO EMBOFF'S QUESTION, GEHRING SAID HE COULD AGREE TO A 20 PERCENT DOWN PAYMENT BUT THAT ANYTHING LOWER THAN THAT WOULD REQUIRE APPROVAL AT THE POLITICAL LEVEL OF THE GOVERNMENT AND HE REFERRED AGAIN TO THE DIFFICULTIES INHERENT IN OBTAINING A FAVORABLE DECISION AT THAT LEVEL. GEHRING REMARKED THAT A 5 PERCENT DOWN PAYMENT WAS OUT OF THE QUESTION AND HE NOTED THAT IT MIGHT BE EASIER ON DOGMATIC GROUNDS TO OBTAIN AGREEMENT ON A 100 PERCENT RESCHEDULING THAN ON A 5 PERCENT DOWN PAYMENT. GEHRING SAID IT WAS HIS PERSONAL OPINION (HE STRESSED PERSONAL) THAT A 15 PERCENT DOWN PAYMENT WAS A RELATIVELY REALISTIC COMPROMISE.

3. GEHRING SAID HE WOULD GO ALONG WITH A MEETING ON THE 23RD BUT HE WAS NOT HAPPY ABOUT IT. HE NOTED THAT THIS WAS PRIMARILY AN INFORMATION GATHERING MEETING WHERE THE VIEWS OF THE CHILEANS AND THE CREDITORS WOULD BE AIRED AND HE THOUGHT THAT TWO DAYS SHOULD BE ENOUGH FOR SUCH A MEETING.

4. IN RESPONSE TO GEHRING'S QUESTION, EMBOFF SAID HE WAS UNAWARE OF THE US POSITION ON OTHER ISSUES SUCH AS CONSOLIDATION INTEREST RATE, CONSOLIDATION PERIOD, ETC.

5. THE FRG DELEGATION WILL ARRIVE AT ITS HOTEL (BRIGHTON) AROUND 7 P.M. ON WEDNESDAY.  
HILLENBRAND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETINGS, DEBT REPAYMENTS, DEBT AGREEMENTS, CREDIT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 FEB 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**To:** STATE  
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